



Education Watch

Enhancing Flexibility & Accountability ■ Leaving No Child Behind

U.S. House Education & the Workforce Committee ■ John Boehner, Chairman
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July 27, 2001

Education Savings Accounts Offer Real Choice for Parents

President George W. Bush signed into law yesterday a bill naming education savings accounts (ESAs) for the late Sen. Paul Coverdell (R-GA), a tireless champion of giving parents more decision-making power in their children's education. This designation is a fitting tribute to him.

ESAs, included in the recent tax bill, were the first component of the President's *No Child Left Behind* education plan to be signed into law. Parents may invest up to \$2,000 annually in ESAs and permits tax-free withdrawals for both college tuition *and* elementary and secondary education, including private school tuition. **This marks the first time that parents will be able to use federal financial assistance to pay for private K-12 education.**

ESA expansion means parents will now have more options in planning for their children's K-12 education, and more power to select the best possible schools for their children to attend.

H.R. 1 and the new ESA option represent two important "firsts" for education: the first time that the federal government will help finance private K-12 education; and the first time that parents will be able to use Title I money for private, faith-based supplemental services. Taken together, these are important steps toward the ultimate goal of equal educational opportunity in America.

Message of the Day

The *No Child Left Behind* plan offers new options to parents of struggling children, and education savings accounts (ESAs) represent a positive first step in helping those parents.

- ❑ *ESAs, for the first time, allow parents to fund private K-12 education costs with federal financial assistance.*
- ❑ *ESAs give parents the flexibility, freedom, and additional resources they need to provide the best education for each individual, unique child.*
- ❑ *The President's plan offers new hope to students in chronically failing schools.*

DAILY EDUCATION FACTS

- ESAs allow parents to use the tax-free withdrawals to pay for tuition, fees, books, supplies, room and board, uniforms and transportation associated with enrollment in, or attendance at, a public, private, or parochial school providing K-12 education, as well as education-related computer equipment.
- H.R. 1 allows parents to use Title I funds to provide supplementary educational services -- including tutoring, after school services, and summer school programs -- for their children. Parents will choose from a list of providers that meet certain criteria, including **private faith-based providers**.

QUOTE OF THE DAY

"By honoring the principle that parents can best choose where and how to educate their children, the new tax law could foster many more school choice initiatives at the local, state, and federal levels." **Robert Holland and Don Soifer of the Lexington Institute**